



NATIONAL ASSOCIATION OF POSTAL SUPERVISORS

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April 7, 1998

Honorable John McHugh, Chairman
Subcommittee on the Postal Service
Rayburn Building, Room B-349C
Washington, DC 20515-6147

Dear Representative McHugh:

Enclosed is my written comments on the proposed revisions to H.R. 22 as requested.

I appreciate you giving us the opportunity to express our views on this bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'Vince', is written over a circular stamp. The signature is fluid and cursive.

Vince Palladino
President

VP: crh
Enclosure

Representing supervisors in the United States Postal Service



The National Association of Postal Supervisors (NAPS), which represents 37,000 active and retired postal supervisors, appreciates the opportunity to comment on the Subcommittee on the Postal Service's proposed "white paper" revisions to H.R. 22, the "Postal Reform Act of 1997."

At the outset, permit us to observe that, without the vision, patience and perseverance of Chairman John McHugh, it is quite evident that meaningful reform of the nearly three-decades-old Postal Reorganization Act would not have received the much-needed attention of Congress that it commands. NAPS commends the Chairman and members of the Subcommittee for their efforts on behalf of the nation's postal customers.

Our hope at this critical juncture is that, together, all interested parties can reach a swift consensus on the H.R. 22 revisions and the full committee can report a bill that will ensure a viable, competitive and responsive United States Postal Service well into the next century. To the

extent that NAPS can assist in that endeavor, please know that the Subcommittee has our full support and cooperation.

As we did when we commented on the original version of H.R. 22 on July 16, 1996, NAPS enthusiastically supports those original amendments and the “white paper” revisions that would help the Postal Service preserve, protect and provide universal mail service at reasonable rates to the American people. We also favor reform that permits pricing flexibility, such as volume discounts and negotiated service agreements, in the face of increasing competition, and reform that makes the ratemaking process more responsive to the needs of our customers in a fast-changing marketplace.

Many of the reservations we expressed about the original version of H.R. 22 have been resolved to our satisfaction by the proposed revisions. We are delighted, for example, the committee adopted our recommendation to ensure that the review process to evaluate and recommend solutions to the myriad of employee-management difficulties in the Postal Service be mandated to involve, among others, representatives of NAPS and other postal management associations. We also are pleased

that the revision provides for the independent review to be conducted under a one-year contract with the National Academy of Public Administrators, instead of a presidentially appointed commission that could have taken up to three years to report its findings.

NAPS strongly opposed opening up the mailbox to permit non-Postal Service access to citizens' private mailboxes, ostensibly for the purpose of depositing so-called "non-postage items. " We are pleased that this amendment has been dropped in the revision.

We also are pleased to note that, "in recognition of the duty of the American public to fund certain operational social obligations imposed upon the Postal Service," the revision drops the repeal of the transitional, public service and revenue forgone authorizations for the Postal Service. NAPS has argued all along that if monies are to be set aside by Congress for the specific benefit of certain classes of mail and kinds of mailers, then Congress should authorize such expenditures and not impose their costs on other mail users.

We regret, on the other hand, that no revision was made to the original amendment authorizing the Postal Service to forward, in the same

manner as for all other postal customers, the mail of addressees who have entered into agreements with commercial mail receiving agencies (CMRAs) to accept mail on behalf of the addressee, such as private post office box rental companies.

Such an authorization would impose additional costs on the Postal Service to the benefit of certain private companies that are, as you know, direct and growing competitors of the Postal Service. Because CMRAs derive income by renting boxes to their customers, they alone should be responsible for providing for the forwarding of mail.

As to the more technical aspects of the revisions-banking arrangements, investments, Treasury relationships, Postal Rate Commission powers, volume discounts, private carriage of letters, and postal rates, classes and services-NAPS, as a willing and contributing partner of the USPS management team, essentially agrees with the reasoned arguments advanced in the document entitled, "Section-by-Section Comments of the United States Postal Service on the Postal Reform Act of 1997 and Its Proposed Revisions," forwarded to the Subcommittee from the Postal Service on April 7, 1998.

However, because NAPS also is a membership organization chartered to represent the best interests of postal supervisors, we had reservations about the original provision of H.R. 22 that would have given the Postal Service independent authority to seek judicial review of Merit Systems Protection Board adverse action decisions that affect postal personnel management. We commend the Subcommittee for its revision that deletes this amendment in its entirety.

For the record, though not in response to any specific amendment or revision, NAPS also opposes any provisions in H.R. 22 that would establish a price cap incentive concept that ultimately and indirectly would create a wage cap.

Again, thank you for permitting the National Association of Postal Supervisors this opportunity to comment on the Subcommittee's proposed "white paper" revisions to H.R. 22.

NAPS is very much concerned that if we, collectively, fail to act on postal reform soon, its chances for passage could very much be in jeopardy. To that end, we are extremely appreciative of the Subcommittee's ongoing and valiant efforts to mark up H.R. 22 and send it

to the House floor. No less than the very' future of affordable, universal, competitive postal service in our nation is at stake.